

# HISTORIC FARMS & RANCHES

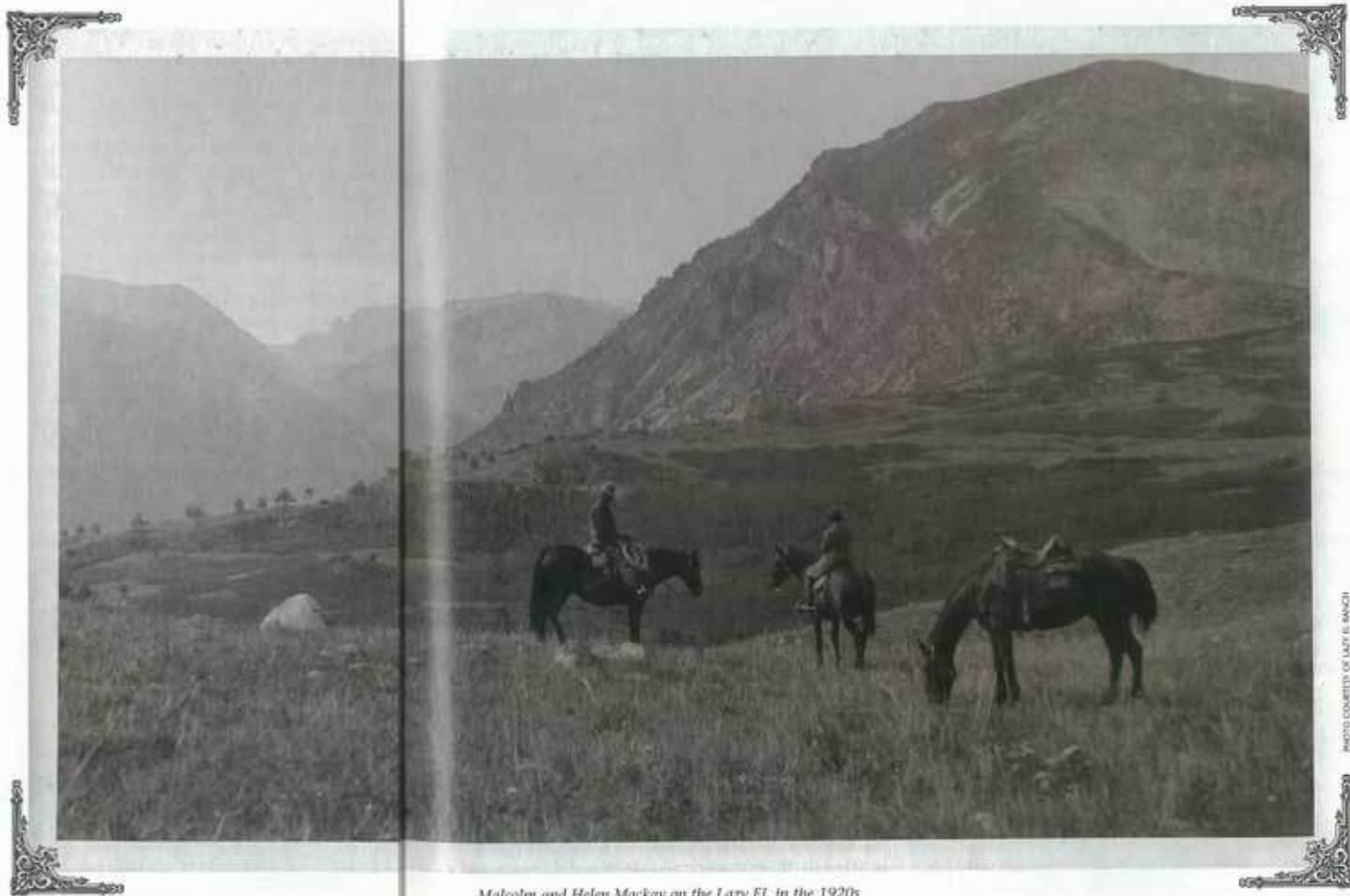
## THE LAZY EL RANCH



by Aaron Kampfe

**T**HE FIRST SOUNDS HEARD ON A TYPICAL SUMMER morning on the Lazy El are roosters crowing. The second is the putt-putt of a four wheeler. The sound of the latter has become so familiar to the forty or so horses that when they hear the engine they run to the corner gate, down the alley, and into the corral. To gather the horses, the wrangler merely has to get behind a few stragglers and follow the herd into the pen.

Ron Goddard, the cattle boss, ropes his roan horse in the corral. Across the barnyard, one of the cowboys rings the breakfast bell from the cookhouse porch. Irene, the ranch cook, is serving thick pancakes drenched in syrup, crisp bacon, and coffee, and she tells the crew of men and women to eat hearty. Derek Kampfe, sitting at the head of the table, is a great-grandson of Malcolm Sutherland Mackay, the founder of the Lazy El Ranch. As ranch manager, Derek is the fourth generation of Mackay descendants to help run the family business.



Malcolm and Helen Mackay on the Lazy El in the 1920s

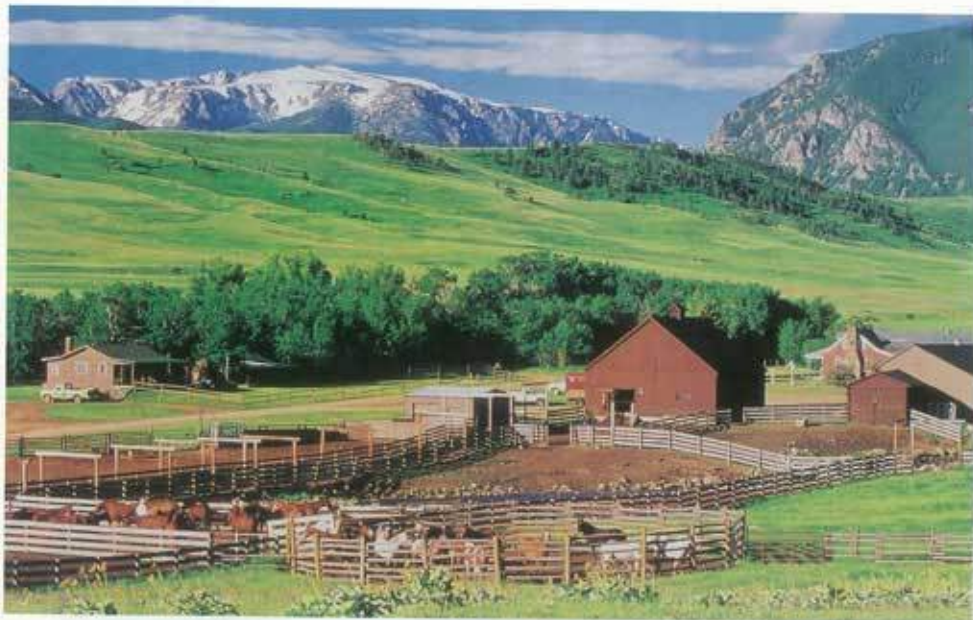


PHOTO COURTESY OF LAZY EL RANCH

After breakfast the cowboys and cowgirls mount their horses and head out to drive cattle, just as they have for a century. The 12,000-foot peaks of the Beartooth Range form the backdrop as they ride across the Lazy EL's rolling hills. The crew has a long day's ride through West Rosebud Canyon, a steep, timbered valley five miles from the ranch headquarters. Derek calls the office on his cell phone while riding across a ridgetop.

The old and the new converge on the Lazy EL. With nearly a hundred years of history on this 15,000-acre ranch near Roscoe, the Mackay family takes pride in their heritage, and the view from the summer cabin porch hasn't changed much in a century. Technology, however, has become integral to the ranch operation, and Derek's time in the office is as important as his time in the saddle. Ron and Derek carefully manage the range, looking over computer spreadsheets to determine how long a herd of cattle can graze in a certain pasture. When Derek needs to contact John Mackay, president of the family corporation, he uses e-mail. Faxes arrive with cattle prices and market estimates.

The ranch is run as a family stock corporation. Many in the family hold degrees from the top colleges and universities in the nation. Most of them make their living elsewhere—New York, Minneapolis, Toronto, Boston, San Francisco—but come to the Lazy EL in the summers to attend the annual stockholders' meeting and to vacation.

In the last fifteen years a new lexicon has emerged

on the Lazy EL. The phrases "holistic resource management," "conservation easement," and "global economy" now describe how the Mackays manage their family enterprise. The second, third, and fourth generations of Mackays are planning for the fifth generation and beyond, to preserve what they hold valuable: the river bottoms, open meadows, groves of trees, free-moving wildlife, and "cowboy culture."

#### FIRST GENERATION IN MONTANA

Donald Mackay was president of the New York Stock Exchange in the 1880s. He groomed his son Malcolm for Wall Street. As a teenager, Malcolm reluctantly began taking the train from their estate in Tenafly, New Jersey to the financial district of Manhattan. He wrote in his book of memoirs *Cow Range and Hunting Trails*, "When I was nineteen [in 1899] I was working in a banking house in New York, but somehow it in no way satisfied the hunger for real action and adventure that surged within me. So when my vacation came due I decided to go out to Mandan, North Dakota, and shoot and ride with a cowboy named Charley Thursten."

In Mandan he heard about Red Lodge, Montana, and in 1901 he claimed a homestead in the foothills of the Beartooth Mountains. Over the next several years he proved up on the place, hired people to help run it, and bought adjacent homesteads.

Bill Mackay explained his father's motives: "Dad was

one of these kids back East who read about cowboys and Indians and he just had to come out and see what it was all about. He was an avid hunter. He liked the outdoor life. There was such a contrast between life back in Tenafly, New Jersey, and the way people lived out here. People were so naturally friendly in the West. He filed on his homestead and proved up on it."

Malcolm met Helen Raynor in Red Lodge. Helen and Malcolm had four children who survived to adulthood: Malcolm "Bud" Sutherland, Jr., William "Bill" Raynor, Donald "Pete," and Mary Ellen. In 1919, Malcolm Mackay built a lodge on the ranch for his family and friends, and every summer the family packed their trunks, boarded the train in New York, and headed west. The children, their parents, and attending cooks and nannies all stayed in the lodge. That building is now known as the summer cabin, and photographs from the early days on the Lazy EL are displayed on the walls. In one photograph, Malcolm stands with rifle in hand and a string of bear pelts behind him. In another, he overlooks an expansive vista in the Beartooth Mountains. Buried in an attic trunk is a photograph of him in his Wall Street suit, a remnant of a life he may have wanted to leave behind both in reality and in memory.

The ranch was much more labor intensive in the early days. Bud explained, "It took about eight men all summer to put up 500 tons of hay. It was all done with horses and pitchforks. We had stackers that you bucked hay into. You got one horse at the end of a rope that pulled up the hay and dumped it on a stack. Then guys with pitchforks would move the hay around and get it level before the next load came."

Malcolm had viewed his first Charles M. Russell art exhibit in 1911 at the Folsom Galleries in New York City, and he immediately identified with the artist's portrayal of a vanishing way of life. The two met in New York and found they had much in common, including Montana. In 1912, Malcolm commissioned Russell to paint the now-famous "The Roundup." In later years, the family felt that their collection of Charlie Russell art should be enjoyed by the public, so in 1952 they agreed to sell the entire collection—twelve oils, five watercolors, fourteen pen and inks, and seven bronzes—to the Montana Historical Society, for \$50,000. Bill explained, "Mother didn't like the idea of just giving the collection to the state of Montana. She felt if you had to work for something you would appreciate it more. While \$50,000 was just a fraction of the collection's value, she felt a campaign to raise the money would raise people's consciousness."

#### SECOND GENERATION

The stock market crash of 1929 caused the family significant financial losses. In 1932, at the age of fifty-one, Malcolm died, further adding to the family's stress. The ranch became a liability with absentee ownership, and stood little chance of being self-sustaining. In 1932, Bill

BELOW, TOP: Ron Goddard is cattle boss on the Lazy EL

CENTER: Horace Mullendore and Malcolm Mackay in front of their bearskin rug, circa 1930

LOWER: Derek Mackay took over as ranch manager in 1994

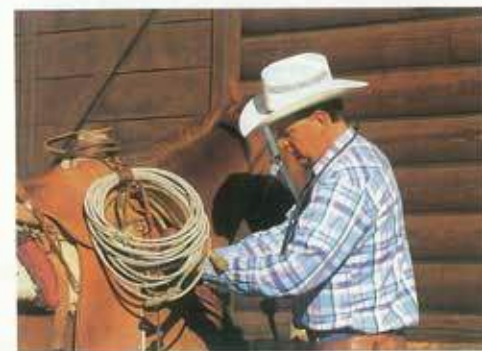
FACING PAGE: The Lazy EL Ranch headquarters lies in the eastern foothills of the Beartooth Range



DANE BOGGS/PHOTO



PHOTO COURTESY OF LAZY EL RANCH



DANE BOGGS/PHOTO

THIS PAGE, TOP: Gray and Bud Mackay in the early 1990s  
 CENTER: Bill and Joyce Mackay's children Helen, Bill Jr., and Julie rope a calf at Christmas, 1954  
 LOWER: Ben Mackay is one of the fourth generation at the Lazy EL

FACING PAGE: Riding out to get cattle



PHOTO COURTESY OF LAZY EL RANCH



PHOTO COURTESY OF LAZY EL RANCH



CHIEF INDIAN PHOTO

decided to move out West and make the ranch profitable. His older brother, Bud, stayed in the East to manage the family business there.

In 1942, the ranch hired a hard-working cowboy named Merrill Miller. Eddie Miller, his son, remembered a typical day in the 1940s and '50s: "The cookhouse was the reason I got up early every morning. I loved going over there with Dad. He'd eat breakfast with the men every morning at five-thirty. There was a lot of camaraderie."

Merrill worked on the Lazy EL until 1959 when he moved on to run his own ranch. To replace Merrill, the Mackay family hired Frank Schrupf. From the Mackays' point of view, Frank Schrupf was successful on the ranch. Financially, the ranch did well during the 1960s. The grass management helped the land. The buildings were kept up. The machinery was modernized. Today Frank Schrupf is reflective about the past. He said, "I made many mistakes. I worked hard to make the place look good, but I neglected the human side of it. I was drinking and felt insecure. I had to show my authority and power by raising my voice or swearing or firing someone—the macho image of a western cattle boss. It wasn't until later in life that I started to pay attention to the important things, what was going on inside."

Pete Mackay, youngest of the three Mackay brothers, also lived on the Lazy EL. He married Virginia Branger, from the neighboring TO Bar ranch. Virginia and Pete had six children and they figured that owning their own ranch, separate from the rest of the family, was wise. So in 1952, Pete Mackay took the acreage on the lower end of the place and one quarter of the cattle. He moved his house down country and started his own ranch, the Top Hat.

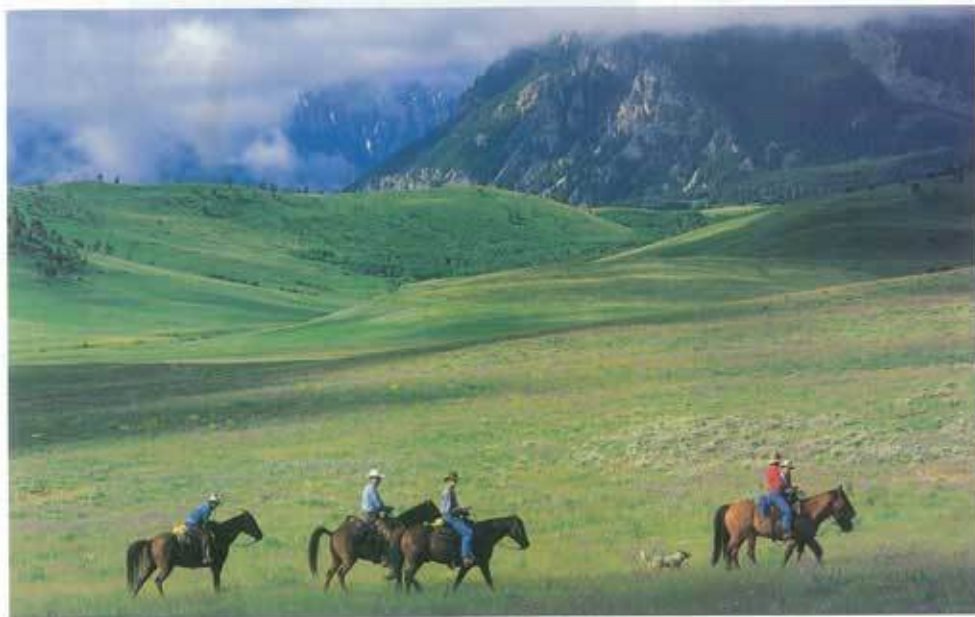
Today, Pete and Bud have passed away. Mary Ellen and her husband, Arthur Wang, live in New York City and regularly visit the Lazy EL. Bill jokingly refers to himself as "the old man on the place." He has passed on the decision-making to the next generations.

### THIRD GENERATION

In 1970, at the age of twenty-five, Bill Mackay Jr. began managing the Lazy EL. In hindsight, Bill Jr. referred to his first ten years as the decade of crisis management, saying, "When I first started there was no direction. No goals. No objectives. No budget. No plan."

In the 1980s, Bill Jr. realized that the old methods of ranching no longer worked for him and the family. He became involved in holistic resource management (HRM), a method of managing the land that begins with considering the whole, including the community, financial goals, operational aspects, and biological impacts. The process asks questions about outcomes such as, What do we want the land to look like? What are our production and financial goals? What quality of life do we want for ourselves and our children?

The next step is to examine the tools that are avail-



AMON KAMPFE PHOTO

able to achieve those goals, including capital, animals, machinery, and human creativity. One tenet of HRM is a grazing method developed by African wildlife biologist Alan Savory, who had determined that overgrazing was a function of time in an area of range, not the number of animals in that range. More animals could graze in a given spot of ground if they didn't exceed a critical time period. After some experimentation, Bill Jr. successfully implemented Savory's grazing system on the Lazy EL.

Bill Jr. brought in the rest of the family for annual planning sessions. The family didn't discuss just financial and operational issues, but included lifestyle questions such as, What kind of place do we want this to be? How do we include the bigger family in its management, not just its managers and board of directors? What is our environmental aesthetic?

Julie Mackay Childs, Bill Jr.'s sister, noted that, "HRM began to get us talking about not just ecological issues, but about human issues. For many years, Bill was trying to do it by himself, facing all that weather, forest fires, sick calves, crises, virtually all alone. HRM brought in the rest of the family. It helped tap a wealth of knowledge that the collective family has gotten from their lives on the ranch and from our diversity of careers in finance, the arts, engineering, education, architecture, and publishing."

The challenge faced by the third generation was a paradigm shift. Bill Jr. said, "The old method of ranching required a boss who made decisions and laborers who

took orders and worked hard. Now we need fewer employees, but those employees have to be more skilled. We need people who can think through problems and communicate. We need not just workers, but thinkers."

### FOURTH, FIFTH, AND FUTURE GENERATIONS

On a typical summer afternoon, the cookhouse bustles with activity. Ranchhands kick back on the porch after lunch, telling stories from the morning's ride. The fourth generation, here for vacation and meetings, plan the afternoon's activities: a hike to see the dinosaur bone on one of the ranch's hillsides, or a jeep ride to go fishing in the West Rosebud River. Toddlers—the fifth generation of Mackay descendants—run around the tables playing cowboys on stick horses, even as they learn the names of the real horses in the corral.

With twenty-seven stockholders in the family corporation, the potential for future land development is great. In 1996, the Lazy EL Ranch Corporation signed a conservation easement with the Montana Land Reliance. The easement prohibits subdivision for residences, surface mining, and development for non-agricultural activities. That decision made by today's stewards of the Lazy EL ensures that tomorrow's children will have an intact, functioning, agricultural ranch, not a parcel chopped by subdivisions.

Since becoming ranch manager in 1994, Derek Kampfe advocated the easement. A Stanford University

## White Buffalo Lodges

Authentic Native American  
Style Tips



522 East Park Street • P.O. Box 1382  
Livingston, MT 59047  
406-222-7390 • Fax 406-222-5725

Visit us on the web at:  
[www.avicom.net/whitebuffalo](http://www.avicom.net/whitebuffalo)  
E-mail: [whitebuffalo@mcn.net](mailto:whitebuffalo@mcn.net)

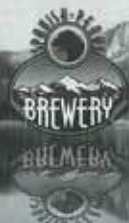
## More Than Just Great Beer...

Fresh Pasta • Brick Oven Pizza • Seafood

Fine Wines • Wood Fire Rotisserie

Decadent Desserts

Specialty Coffees • Spirits



SPANISH PEAKS BREWERY  
& ITALIAN CAFE

120 N. 19th Ave.  
Bozeman, MT  
585-2296  
[www.spanishpeaks.com](http://www.spanishpeaks.com)



Winter is the  
quietest time on the  
Lazy EL Ranch

engineering graduate, Derek began his career in corporate America, the epitome of "expand and develop" capitalism. "I found myself in a high-rise office building in the financial district of New York City and I thought, this is not the life I want for myself or my children," reflected Derek. "The conservation easement guarantees that the ranch will be the same ranch for my kids and their kids and their kids. It will always be the same piece of land. The decision for the easement was a decision for future generations."

The easement doesn't exclude sound financial management, of course. With the aid of John Mackay and the rest of the board, Derek has worked to diversify the ranch businesses. "We've had to think globally in terms of our ranch enterprises. For example, consider the North American Free Trade Agreement. While NAFTA has put cheaper beef on the American market, it has also opened up a larger market—in Canada and Mexico—for our beef. Another example is the European market. Agricultural import restrictions set by the European Union affect all ranchers. To insulate ourselves from the dramatic changes in the cattle market, we've also focused on our other periphery businesses, tourism, fishing, hunting, and timber."

Bill Jr. started a ranch guest program and Derek continues it. Julie Mackay Childs, manager of the guest business, explained, "The Lazy EL provides a working ranch experi-

ence, not a dude ranch experience. These people are not pampered; they are put on a horse and taught to ride like cowboys."

The guest program is not without controversy within the family. Derek said, "The HRM model allows for disagreement. We're trying to balance two outcomes. One is a financial outcome; the guest program has been lucrative. The other is a lifestyle outcome; the guests use the summer cabin, which is often wanted by members of the family. The solution has been clear communication and time management."

ON A TYPICAL SUMMER'S EVENING ON THE Lazy EL, the ranch is quiet. The families who work on the ranch are in their homes. Ranch guests play croquet on the lawn. Horses meander on the hillsides, grazing.

On a walk in the pasture one evening, Julie remembered thinking: "Thank you, Grandfather Mackay, for having a vision and starting all this, for being one crazy teenager who left home and went west to have an adventure. You and Grandmother put in motion something incredible, a dynasty that has its own unique character and personality. I am grateful that we are preserving it, forever." **M**

AARON KAMPEFF is president of OutWest Adventures, based in Red Lodge. He is one of the fourth generation who participates in managing the Lazy EL.